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RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC//DDI/OEA//
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SUBJECT: SEOUL - PRESS BULLETIN; September 15, 2009

TOP HEADLINES

Chosun Ilbo
Chuseok (Korea's Thanksgiving) Holiday is a Critical Moment for
Rapid Spread of New Flu; Some 10 Million People Expected to Move
across the Country during Chuseok

JoongAng Ilbo
Public Servant in Charge of Privatization of Public Companies Found
to Have Taken Possession of a Company
He Sought to Privatize

Dong-a Ilbo
Ssangyong Workers Striving to Keep Company Alive

Hankook Ilbo
Schools in Gangnam District Teach Parents to Falsely Register
Addresses to Transfer Children to Better High Schools in the
District; Gangnam is known as being Home to Many "Good" High Schools
that Produce Successful Applicants
to Prestigious Universities

Hankyoreh Shinmun
ROKG's Hasty Pursuit of Reorganization of Administrative Districts
Puts Local Governments at Odds

Segye Ilbo, Seoul Shinmun
Gen. Lee Sang-eui to Head Joint Chiefs of Staff

DOMESTIC DEVELOPMENTS

According to a Sept. 12-13 opinion survey by Hangil Research of 800
adults across the country, President Lee Myung-bak's approval rating
rose to 53.8 percent, the level seen just after his inauguration.
(Dong-a, Hankook, Segye)

INTERNATIONAL NEWS

According to diplomatic sources in Washington, Deputy Secretary of State James B. Steinberg played a decisive role in leading the Obama Administration to make a policy shift toward holding bilateral talks with North Korea. (Chosun)

According to sources knowledgeable about North Korea-China relations, Dai Bingguo, China's State Councilor, will visit North Korea around Sept. 28 apparently to persuade the North to return to the Six-Party Talks. (Hankook, Seoul)

MEDIA ANALYSIS

-N. Korea

Conservative Chosun Ilbo carried an inside-page report citing diplomatic sources in Washington as claiming that Deputy Secretary of State James B. Steinberg played a decisive role in leading the Obama Administration to make a policy shift toward holding bilateral talks with North Korea.

The report went on to say that the Deputy Secretary coordinated with Philip Goldberg, Coordinator for the Implementation of UN Sanctions on North Korea; Stephen Bosworth, Special Representative for North Korea Policy; and Sung Kim, Special Envoy for the Six-Party Talks, and won approval from Secretary of State Hillary Clinton to hold bilateral talks with North Korea on the premise that such talks will

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not replace the Six-Party Talks and that they are intended to persuade the North to return to the Six-Party Talks.

U.S. Imposes Punitive Tariffs on Chinese Tire Imports

Right-of-center JoongAng Ilbo editorialized: "We believe that the U.S. is primarily to blame for this trade dispute. This is because the U.S. action breached the G20 agreement to resist trade protectionism. ... Former President George W. Bush rejected four recommendations to invoke safeguard measures against Chinese products based on the judgment that trade protectionism, once started, would spiral out of control. The U.S.'s return to trade protectionism will not only spark international trade disputes but also undermine world trade, further delaying the recovery of the global economy."

OPINIONS/EDITORIALS

TRADE CONFLICT BETWEEN U.S. AND CHINA FEARED TO DISRUPT
INTERNATIONAL EFFORTS TO TURN AROUND GLOBAL ECONOMY
(JoongAng Ilbo, September 15, 2009, Page 46)

A trade dispute between the U.S. and China, the two pillars of the global economy, is raising concern around the world. The dispute was sparked by the U.S. first. The USG announced on September 11 that it will impose a tariff of up to 35 percent on low-cost tires from China under the safeguard provisions. In response, on September 13, the Chinese government launched an "anti-dumping and anti-subsidy" investigation into imports of U.S. vehicles and chicken products. It appears that Beijing retaliated against Washington's preemptive offensive.

The trade dispute between the two economic powers, which occurred two weeks before the G-20 summit in Pittsburgh, will surely have a negative impact on global economic recovery and international cooperation. This is because, when the two economies are continuously at odds over trade issues, it could pour cold water on international efforts to revive the global economy and expand the contracted international trade. We are concerned that "innocent bystanders may get hurt in a Titanic struggle."

We believe that the U.S. is primarily to blame for this trade dispute. This is because the U.S. action breached the G20 agreement

to resist trade protectionism. In particular, by invoking the safeguard measure for the first time, the Obama Administration is fueling the spread of protectionism in the U.S. Since this safeguard measure has opened the way for the Obama Administration to easily impose high tariffs, it will prompt other U.S. industries to demand that the same provision be applied. Former President George W. Bush rejected four recommendations to invoke safeguard measures against Chinese products based on the judgment that trade protectionism, once started, would spiral out of control. The U.S.'s return to trade protectionism will not only spark international trade disputes but also undermine world trade, further delaying the recovery of the global economy.

The U.S., which triggered the global financial crisis, is responsible to stave off this catastrophic situation. China also should not take retaliatory action but cautiously respond in line with its economic status. We expect that both countries will settle trade disputes smoothly through dialogue.

FEATURES

THE MAN BEHIND OBAMA'S N. KOREA POLICY
(Chosun Ilbo, September 15, 2009, Page 4)

By Washington Correspondent Lee Ha-won

U.S. Deputy Secretary of State James Steinberg played a decisive

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role in the Barack Obama Administration deciding to make some changes in North Korea policy and agree to bilateral talks with the North, diplomats say.

According to diplomatic sources in Washington, Steinberg spoke to Philip Goldberg, the Coordinator for Implementation of UN Security Council Resolution 1874 which imposes sanctions on the North, Stephen Bosworth, Special Representative for North Korea Policy, and Sung Kim, the Chief Nuclear Negotiator. Steinberg reportedly won approval from Secretary Clinton on the premise that such talks will not replace the Six-Party Talks and that they are intended to persuade the North to return to the Six-Party Talks.

Steinberg has been coordinating North Korea policies since the need for a systematic response to the North became clear after its second nuclear test in May. Before that, various aspects were handled separately by Goldberg, Bosworth and Assistant Secretary of State Kurt Campbell.

Steinberg (56) is said to be inconspicuous in action but to talk frankly and without reserve in behind-the-scenes negotiations. He has worked at the Center for Strategic and International Studies and the Rand Corporation. He earned the trust of former U.S. President Bill Clinton and his wife while serving as Deputy Assistant to the National Security Council during the second Clinton Administration from 1997 to 2001.

During his time at the National Security Council, he was deeply involved in formulating U.S. policies towards North Korea when Bill Clinton considered visiting Pyongyang. Steinberg established a relationship with then presidential candidate Obama in June last year, when he took part in writing a speech President Obama was going to deliver to a session of the American Israel Public Affairs Committee (AIPAC), a pro-Israel interest group.

* We have compared the English version on the website with the Korean version and added some sentences to make them identical.

TOKOLA